How University Incubators may be Overprotective and Hindering the Success of the Young Firm: Findings from a Preliminary Study

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Abstract
This paper investigates to what extent university spin-offs benefit from their parent organization. Drawing on the resource based view and social capital theory we identify the support factors that may turn to interference with the spin-offs business goals. This study has a case study approach and data is collected among university spin-offs at the TU Delft. Preliminary findings provide insight in the extent to which support is valuable and when it can hamper the progress of the spin-off creation. Understanding the dynamics of the support can help improve the spin-off incubation programs.

Introduction
University spin-offs (USO) are typically founded by one or more scientists who have participated in academic research programmes that resulted in a scientific finding and that finding shaped the basis for their spin-off (Pirnay, 1998). Scientists bring to the spin-off their scientific experience and expert skills. Nevertheless, spin-offs start with some major disadvantages related to their newness and smallness. Spin-offs are constrained by their relatively small financial base, and lack of business experience, track records and assets. Support activities, that can be found in the universities, from which the spin-off emerged, can help spin-offs to overcome their liabilities of newness and smallness (Hansen et al., 2000; Gassman and Becker, 2006). Empirical research by Wright et al., (2006) and the Lambert Report (Lambert, 2003) reveals that while universities are increasingly keen to create spin-out companies; far too few of these grow and succeed. Given these observations, this paper examines the role of university support and illustrate how there may be times when the university is inadvertently overprotective of its young firm and thereby contributing to the problem of poor performance of university spin-outs.

Supportive University Infrastructures
The parent organization can be supportive through the transfer of explicit resources and implicit routines and legitimacy to the spin-off. We conceptualize parent support into tangible and intangible assets (Dierickx and Cool, 1989). Tangible support refers to all physical assets, such as the provision of intellectual property rights, finance, and accommodation. Intangible support is more oriented to the provision of expertise and coaching, such as guidance and advice. Compared to incumbents, technological start-ups are less resource-rich firms that generally seek technical, managerial and financial resources through alliances with established market firms (Hitt et al., 2000). Consequently, the common consensus is that if spin-offs receive support from their parent organisation, they can enjoy a competitive advantage. This support, however, does not sit comfortably with the equally clear evidence from Wright et al., (2006). Yet, little empirical research is conducted that analyses to what extent specific support activities are beneficial to university spin-offs. We suggest that the success of university spin-offs follows an inverted U-shape with the extent of support activities as provided by their parent organisation.

Research Method
The data for this study is collected from case studies at the Technical University of Delft. Since 1988 the university has offered a program of support for university spin-out companies. Since this time the level of support has varied, but it has included interest free loans, accommodation in a university building, support from academic faculty, and education courses. Among these university spin-offs we conducted our field study. Face to face semi-structured interviews have begun with the founders and entrepreneurs of a sample of these university spin-outs.
Results
Our preliminary findings from this on-going study reveal that parent support can benefit the spin-off if it concerns activities that help the spin-off entrepreneur to focus on transferring academic knowledge to commercial ends. In addition to delivering benefits, incubators can unwittingly hamper the progress of spin-offs if the focus is too much on certain aspects of support. The findings provide insight in how support contributes to remoteness from commercial environment, product myopia, imbalanced networks and cushion effects. Clearly getting the balance right between support and interference is clearly a difficult judgement for the university incubator managers. Being aware of those areas where support is turning to interference is valuable, and helps to understand to what extent support is beneficial to the university spin-off.

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